

SENATE BILL REPORT

SB 5141

As Reported by Senate Committee On:
Ways & Means, February 23, 2015

Title: An act relating to the alternative process for awarding contracts for university medical buildings and facilities.

Brief Description: Concerning the alternative process for awarding contracts for university medical buildings and facilities.

Sponsors: Senators Becker, Frockt, Dammeier, Bailey, Rivers, Brown and Parlette.

Brief History:

Committee Activity: Ways & Means: 1/26/15, 2/23/15 [DPS, w/oRec].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5141 be substituted therefor, and the substitute bill do pass.

Signed by Senators Hill, Chair; Braun, Vice Chair; Dammeier, Vice Chair; Honeyford, Vice Chair, Capital Budget Chair; Hargrove, Ranking Member; Keiser, Assistant Ranking Member on the Capital Budget; Ranker, Ranking Minority Member, Operating; Bailey, Becker, Billig, Brown, Conway, Fraser, Hewitt, Kohl-Welles, O'Ban, Padden, Parlette, Rolfes, Schoesler and Warnick.

Minority Report: That it be referred without recommendation.

Signed by Senators Hasegawa and Hatfield.

Staff: Michael Bezanson (786-7449)

Background: Under current law, the University of Washington (UW) may create an alternative contract award process for university buildings and facilities in which critical patient care or highly specialized medical research is located. The alternative process may be used when the estimated costs are less than \$5 million.

The alternative contract award process is accomplished through the creation of a single or multiple critical patient care or specialized medical research facilities rosters for different trade specialties or categories of anticipated work. UW currently uses two rosters. The Group A roster work consists of projects containing life-critical elements, e.g. oncology

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suites, operating rooms, procedure rooms, and biosafety 3 laboratories. Group B roster work consists of all other critical patient care and specialized medical research facilities projects.

UW solicits Statements of Qualifications (SOQ) from qualified general contractors for its Critical Patient Care and Specialized Medical Research Facilities. As part of the qualifications, the contractors must show the ability to plan and perform work that controls for contamination, infection, and other patient safety concerns. UW uses the appropriate roster A or B to solicit competitive bids rather than an open bidding process to all contractors.

There are no deadlines for submitting SOQs and contractors can submit at any time. The rosters are renewed every two years.

The alternative process under current law sunsets and terminates on June 30, 2015, and is repealed on June 30, 2016.

Summary of Bill (Recommended Substitute): The sunset and termination of the alternative contract award process for university buildings and facilities in which critical patient care or highly specialized medical research is located is extended for two years.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Substitute): Keeps the maximum dollar threshold for projects that qualify for the alternative contract award process at \$5 million rather than \$10 million. Extends the sunset and termination dates for two years rather than repealing them. Adds an emergency clause and effective date.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: The bill has an emergency clause and takes effect on June 30, 2015.

Staff Summary of Public Testimony on Original Bill: PRO: We are in strong support of this bill. We found that the alternative contracting mechanism has allowed projects to be built a little faster and at reduced costs. We are trying and committed to building on our women and minority-owned contractor base. We are making progress.

CON: We are against the continued exemption and expansion of the alternative contracting mechanism. UW has zero inclusion of women and minority-owned businesses. The law requires state agencies and universities to maximize the inclusion of women and minority-owned businesses. Zero inclusion is a fail. The committee should not allow UW to extend and expand this exemption. Women and minority-owned businesses need their first opportunity in order to get pre-qualified for this type of work.

Persons Testifying: PRO: Genesee Adkins, UW.

CON: Frank Lemos, WA Minority Business Advisory Council.